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AUG 1, 2007
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BEFORE THE BOARD OF MILK CONTROL OF THE STATE OF MONTANA ANNOUNCEMENT OF CLASS I, II & III PRODUCER PRICES



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EFFECTIVE:

August 1, 2007
September 1, 2007
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PRODUCER CLASS I PRICE IN MONTANA

REF: ARM 32.24.301(5)

CLASS I PRICE FOR MILK TESTING 3.5%
CLASS I BUTTERFAT PRICE PER POUND

\$24.31 /CWT
\$1.63 /LB

EFFECTIVE SEPTEMBER 1, 2007:

The minimum price to pay milk producers, under ARM 32.24.301, is **\$24.31**
per hundred pounds of milk testing 3.5% butterfat, f.o.b. the milk distributor's plant.

When milk does not test 3.5% butterfat, compute the applicable price by applying a differential of
16.3 cents for each one-tenth of one percent butterfat above or below the midpoint of each producer payment.
The value of one pound of butterfat utilized will be **\$1.63**

PRODUCER CLASS II PRICE IN MONTANA

REF: ARM 32.24.301(6)

CLASS II PRICE FOR MILK TESTING 3.5%

\$21.50 /CWT

Average spray process dry milk solids
price per pound = **\$2.13750**
Multiplied by 8.2 x **8.2**

\$17.52750

Last quote of the month for Grade AA butter
minus a differential of \$.0895 = **\$1.42050**
Multiplied by 4.2 x **4.2**

\$5.96610

LESS a make allowance of 8.5% (**\$23.4936 X .085**)

Rounded to the nearest whole cent = **\$21.50 /hundredweight.**

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\$17.52750

+ **\$5.96610**
\$23.49360
- **\$1.99696**
\$21.49664



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EFF: September 1, 2007

CLASS II BUTTERFAT PRICE PER POUND**\$1.58 /LB**

Last quote of the month for Grade AA butter				
minus a differential of \$.0895	=	\$1.42050	X .111)	=
Rounded to the nearest half cent				=
				\$0.15768
				\$0.158

Butterfat value per pound		
for milk at 3.5% test:	\$1.58	

Hundredweight price of milk testing 3.5%		=	\$21.50
LESS 3.5 pounds of butterfat at	\$1.58 per pound	-	\$5.530
Value of 96.5 pounds of skim		=	\$15.970

**CLASS II VALUE OF
ONE POUND OF SKIM**

15.970 / 96.5 pounds)	=	\$0.16549 /LB
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PRODUCER CLASS III PRICE IN MONTANA

REF: ARM 32.24.301(7)

CLASS III PRICE PER CWT FOR MILK TESTING 3.5%**\$18.52 /CWT**

3.5 pounds of butterfat	x	\$1.28 per pound =	\$4.480
96.5 pounds of skim	x	\$0.14548 per pound =	\$14.039
			\$18.519 /CWT

CLASS III BUTTERFAT PRICE PER POUND**\$1.28 /LB**

Last quote of the month for Grade AA butter		
minus a difference of \$.0895	=	\$1.42050
LESS 10%	-	\$0.14205
		\$1.27845

Rounded to the nearest whole cent	=	\$1.28 per pound.
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CLASS III PRICE PER CWT FOR SKIM MILK UTILIZED**\$14.54783 /CWT**

Avg. spray process dry milk solid price/lb =	\$2.13750
Multiplied by 8.2	x 8.2
	\$17.52750
LESS 17%	- \$2.97968
	\$14.54783

Rounded to the nearest whole cent	=	\$14.55 per hundredweight.
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BY ORDER OF THE MONTANA MILK CONTROL BUREAU

Compiled by:

Monte Nick

Monte Nick, Bureau Chief
Montana Milk Control Bureau

BREAKDOWN BY TEST FOR CLASS I, II & III SKIM PRICES

CLASS I SKIM PRICE BASED ON \$24.31 FOR 3.5% MILK 96.5 LBS = \$18.605			CLASS II SKIM PRICE BASED ON \$21.50 FOR 3.5% MILK 96.5 LBS = \$15.970			CLASS III SKIM PRICE BASED ON \$18.52 FOR 3.5% MILK 96.5 LBS = \$14.039		
Blend Prices			Blend Prices			Blend Prices		
Quota	Excess		Quota	Excess		Quota	Excess	
Jan-97	\$ 13.25	\$ 11.85	Jul-00	\$ 13.11	\$ 9.21	Jan-04	\$ 14.15	\$ 10.59
Feb-97	\$ 13.01	\$ 9.83	Aug-00	\$ 13.51	\$ 8.04	Feb-04	\$ 12.75	\$ 11.64
Mar-97	\$ 13.35	\$ 9.95	Sep-00	\$ 13.38	\$ 9.53	Mar-04	\$ 13.15	\$ 12.48
Apr-97	\$ 13.84	\$ 9.88	Oct-00	\$ 13.49	\$ 8.14	Apr-04	\$ 14.23	\$ 13.94
May-97	\$ 13.79	\$ 8.11	Nov-00	\$ 13.40	\$ 10.31	May-04	\$ 14.45	\$ 13.95
Jun-97	\$ 12.37	\$ 8.09	Dec-00	\$ 12.82	\$ 9.29	Jun-04	\$ 18.35	\$ 12.97
Jul-97	\$ 12.34	\$ 8.14	Jan-01	\$ 14.01	\$ 10.23	Jul-04	\$ 19.04	\$ 10.58
Aug-97	\$ 12.41	\$ 9.59	Feb-01	\$ 13.47	\$ 9.91	Aug-04	\$ 17.27	\$ 11.19
Sep-97	\$ 12.80	\$ 10.38	Mar-01	\$ 12.84	\$ 10.47	Sep-04	\$ 14.63	\$ 11.29
Oct-97	\$ 13.76	\$ 10.50	Apr-01	\$ 14.10	\$ 11.76	Oct-04	\$ 14.24	\$ 11.17
Nov-97	\$ 14.05	\$ 11.22	May-01	\$ 14.68	\$ 12.62	Nov-04	\$ 15.26	\$ 11.49
Dec-97	\$ 14.22	\$ 10.43	Jun-01	\$ 15.78	\$ 13.09	Dec-04	\$ 13.86	\$ 10.66
Jan-98	\$ 14.16	\$ 10.10	Jul-01	\$ 15.48	\$ 13.36	Jan-05	\$ 15.51	\$ 13.80
Feb-98	\$ 14.38	\$ 10.11	Aug-01	\$ 16.52	\$ 13.92	Feb-05	\$ 15.67	\$ 10.61
Mar-98	\$ 14.50	\$ 9.65	Sep-01	\$ 15.74	\$ 14.58	Mar-05	\$ 14.32	\$ 11.99
Apr-98	\$ 14.50	\$ 9.65	Oct-01	\$ 16.74	\$ 13.29	Apr-05	\$ 15.03	\$ 12.43
May-98	\$ 13.72	\$ 8.71	Nov-01	\$ 15.40	\$ 12.22	May-05	\$ 14.74	\$ 12.74
Jun-98	\$ 13.37	\$ 10.65	Dec-01	\$ 14.90	\$ 10.38	Jun-05	\$ 14.57	\$ 11.81
Jul-98	\$ 12.91	\$ 12.54	Jan-02	\$ 12.99	\$ 10.60	Jul-05	\$ 14.09	\$ 12.30
Aug-98	\$ 14.53	\$ 13.06	Feb-02	\$ 12.90	\$ 10.78	Aug-05	\$ 15.16	\$ 13.33
Sep-98	\$ 16.03	\$ 13.37	Mar-02	\$ 12.77	\$ 10.50	Sep-05	\$ 15.47	\$ 12.66
Oct-98	\$ 16.12	\$ 14.72	Apr-02	\$ 12.72	\$ 10.20	Oct-05	\$ 14.76	\$ 13.77
Nov-98	\$ 16.34	\$ 15.91	May-02	\$ 12.55	\$ 10.84	Nov-05	\$ 14.97	\$ 13.21
Dec-98	\$ 17.17	\$ 15.55	Jun-02	\$ 11.51	\$ 8.79	Dec-05	\$ 14.96	\$ 12.29
Jan-99	\$ 16.94	\$ 10.92	Jul-02	\$ 12.30	\$ 9.46	Jan-06	\$ 14.15	\$ 12.46
Feb-99	\$ 17.54	\$ 9.92	Aug-02	\$ 11.82	\$ 10.15	Feb-06	\$ 14.08	\$ 12.58
Mar-99	\$ 16.75	\$ 9.63	Sep-02	\$ 11.86	\$ 10.36	Mar-06	\$ 14.05	\$ 12.55
Apr-99	\$ 11.95	\$ 10.31	Oct-02	\$ 11.68	\$ 10.11	Apr-06	\$ 12.71	\$ 11.21
May-99	Missing May		Nov-02	\$ 11.60	\$ 10.66	May-06	\$ 12.44	\$ 10.94
Jun-99	\$ 12.86	\$ 9.51	Dec-02	\$ 12.04	\$ 10.61	Jun-06	\$ 11.98	\$ 10.48
Jul-99	\$ 12.85	\$ 11.66	Jan-03	\$ 12.85	\$ 10.61	Jul-06	\$ 11.44	\$ 9.94
Aug-99	\$ 13.25	\$ 13.11	Feb-03	\$ 11.08	\$ 9.52	Aug-06	\$ 12.24	\$ 10.74
Sep-99	\$ 14.79	\$ 12.26	Mar-03	\$ 11.31	\$ 9.65	Sep-06	\$ 12.44	\$ 10.94
Oct-99	\$ 16.32	\$ 10.20	Apr-03	\$ 11.10	\$ 10.06	Oct-06	\$ 12.57	\$ 11.07
Nov-99	\$ 17.00	\$ 8.10	May-03	\$ 11.17	\$ 9.80	Nov-06	\$ 13.73	\$ 12.23
Dec-99	\$ 12.68	\$ 8.18	Jun-03	\$ 10.99	\$ 9.49	Dec-06	\$ 13.42	\$ 11.92
Jan-00	\$ 11.39	\$ 8.14	Jul-03	\$ 11.23	\$ 10.00	Jan-07	\$ 13.91	\$ 12.41
Feb-00	\$ 12.33	\$ 7.98	Aug-03	\$ 11.65	\$ 12.40	Feb-07	\$ 14.48	\$ 12.98
Mar-00	\$ 12.15	\$ 8.05	Sep-03	\$ 12.58	\$ 12.67	Mar-07	\$ 14.65	\$ 13.15
Apr-00	\$ 12.18	\$ 8.03	Oct-03	\$ 14.50	\$ 14.08	Apr-07	\$ 15.17	\$ 13.67
May-00	\$ 12.35	\$ 7.79	Nov-03	\$ 14.09	\$ 12.38	May-07	\$ 16.11	\$ 14.61
Jun-00	\$ 12.47	\$ 7.83	Dec-03	\$ 14.60	\$ 11.22	Jun-07	\$ 17.64	\$ 16.14

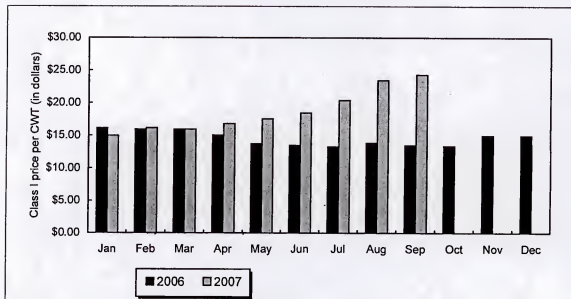
PRODUCER CLASS I PRICE IN MONTANA

Charts below show a class I price comparison for 2006 and 2007

Statistics from the Montana Milk Control Bureau

Month	2006	2007	Difference	% Change
January	\$16.12	\$14.98	(\$1.14)	-7.07%
February	\$15.93	\$16.14	\$0.21	1.32%
March	\$15.93	\$15.94	\$0.01	0.06%
April	\$15.04	\$16.80	\$1.76	11.70%
May	\$13.77	\$17.55	\$3.78	27.45%
June	\$13.52	\$18.47	\$4.95	36.61%
July	\$13.30	\$20.39	\$7.09	53.31%
August	\$13.89	\$23.46	\$9.57	68.90%
September	\$13.52	\$24.31	\$10.79	79.81%
October	\$13.40			
November	\$14.97			
December	<u>\$14.95</u>			
Average	\$14.53	\$18.67	\$4.11	30.23%

Prices are per hundredweight (CWT).

**Completion of pooling (prior to audit) shows the producer quota blend prices to be:**

JUNE 2007: class I = \$10.66; class II = \$2.11; Class III = \$4.80; total = \$17.56

(calculations based upon utilization percentages of butterfat & skim)